

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE

AUDIT OFFICE

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VENTURA COUNTY  
AGRICULTURAL COMMISSIONER'S OFFICE  
PIERCE'S DISEASE CONTROL CONTRACT

AUDIT REPORT #09-086

FOR THE FISCAL PERIOD  
JULY 1, 2006 THROUGH JUNE 30, 2009

VENTURA COUNTY  
COUNTY AGRICULTURAL  
COMMISSIONER'S OFFICE  
PIERCE'S DISEASE CONTROL CONTRACT  
FOR THE FISCAL PERIOD  
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AUDIT REPORT NUMBER  
09-086

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CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

Mr. Henry S. Gonzales  
Agricultural Commissioner  
Ventura County  
815 East Santa Barbara Street  
Santa Paula, CA 93061

### INDEPENDENT AUDITOR'S REPORT

The California Department of Food and Agriculture's (CDFA), Pierce's Disease Control Program (PDCP) requested the CDFA Audit Office perform a contract compliance audit of two contracts with Ventura County, County Agricultural Commissioner's Office (CAC). In our audit for the PDCP, we audited contract numbers 06-0377, and 07-0016 for the 2006/07, 2007/08 and 2008/09 fiscal years.

The objectives of the audit were to ensure the CAC complies with the terms and conditions of the contract. We verified the accuracy of the service invoices billed under the contract; identified the basis for discrepancies between the actual charges and billed charges; and provided information to improve the terms and conditions of the contract.

We conducted our audit in accordance with generally accepted government auditing standards for fiscal compliance as issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the billings are supported by the accounting records and are submitted in compliance with the appropriate state and federal requirements and guidelines. An audit includes examining, on a test basis, evidence supporting the amounts included on the billings. An audit also includes assessing the accounting principles used and significant estimates made by management. We limited our test of internal controls and certain general ledger accounts due to our reliance on the unqualified audit report issued by the Independent Auditors.

During our audit of the CAC's compliance with state and federal laws and regulations, we identified one area with reportable conditions that are considered weaknesses in the CAC's effort to comply. We have provided one recommendation to improve the compliance of Ventura County. The County must respond in writing to the finding and recommendation.

Ron Shackelford, CPA  
Chief, Audit Office

October 16, 2009



### **CONCLUSION**

We recommend the PDCP accept the charges that were billed to the program during fiscal years 2006/07, 2007/08, and 2008/09. On a going forward basis, the CAC should adjust its invoiced costs to agree with actual costs in accordance with the requirements of the contract and Title 2 Code of Federal Register Part 225, Cost Principles for State, Local, and Indian Tribe Governments (2 CFR 225.) Additionally, we recommend the CAC maintain all supporting documents related to its billing invoices, review and improve current billing practices, or risk the possibility of a portion of these costs not being reimbursed by the program.

## REPORTABLE CONDITION

### SUPPORTING DOCUMENTATION FOR CLAIMED EMPLOYEE MILEAGE

The CAC's supporting documentation for vehicle mileage claimed against the federal award for the 2006/07, 2007/08, and 2008/09 fiscal years should be improved in order for the County to be in full compliance with 2 CFR 225. Although the CAC requires employees to complete daily activity reports specifying the related activity worked on, these reports do not reflect the premises or locations visited in performing contracted services. In addition, the CAC did not perform a physical inspection of the vehicles odometer readings nor maintain a log of odometer readings to validate the mileage being reported by the employees. Therefore, we cannot determine whether the mileage claimed against all two contracts is fully appropriate.

#### *Recommendation*

- 1. The CAC should improve its accounting over employee mileage costs invoiced for reimbursement by requiring employees to record the premises visited and the beginning or ending odometer readings on the daily activity reports. Additionally, the CAC should perform physical validation and maintain a log of odometer readings to reconcile to the mileage reported by the employees. This will mitigate the possibility of the State disallowing claimed mileage.*

**COUNTY AGRICULTURAL COMMISSIONER'S RESPONSE**



Office of  
**AGRICULTURAL COMMISSIONER**

P.O. Box 889, Santa Paula, CA 93061  
815 East Santa Barbara Street  
Telephone: (805) 933-2926  
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**Agricultural Commissioner**  
Henry S. Gonzales

**Chief Deputy**  
Susan L. Johnson

February 2, 2010

Mr. Ron Shackelford  
Chief, Audit Office, CDFA  
1220 'N' Street, Room 334  
Sacramento, CA 95814

Dear Mr. Shackelford:

This is written in response to, and after review of, the draft audit report of the County of Ventura Agricultural Commissioner's Office Pierce's Disease Control Program contract for the fiscal period July 1, 2006 through June 30, 2009.

**Reportable Condition**

**Finding and Recommendation**

1. The CAC (County Agricultural Commissioner) should improve its accounting over employee mileage costs invoiced for reimbursement by requiring employees to record the premises visited and the beginning or ending odometer readings on the daily activity reports. Additionally, the CAC should perform physical validation and maintain a log of odometer readings to reconcile to the mileage reported by the employees. This will mitigate the possibility of the State disallowing claimed mileage.

**Response**

We agree with your finding and recommendation and have already incorporated the recommendation into a daily activity report, which captures the miles and each nursery location visited during the work day. Also, the Program Supervisor has been assigned the task of physically validating and maintaining a log of each vehicle's miles, which is reported daily by the employees. Attached is a copy of the form for your review.

We appreciate the cooperation and assistance extended to us by your staff during the audit. Please call me at 805-933-2926 if you need additional information.

Sincerely,

Henry S. Gonzales  
Agricultural Commissioner

AL/np

c: Kathleen O'Keefe  
Shawna Acosta



### **CDFA EVALUATION OF RESPONSE**

A draft copy of this report was forwarded to the management of the County of Ventura, County Agricultural Commissioner, Santa Paula, California, for its review and response. We have reviewed the response and it addresses the findings contained in this report.

### **DISPOSITION OF AUDIT RESULTS**

The findings in this audit report are based on fieldwork that my staff performed between October 12, 2009 and October 16, 2009. My staff met with management on October 16, 2009 to discuss the findings and recommendations.

This audit report is intended solely for the information of the California Department of Food and Agriculture and the County Agricultural Commissioner. However, this report is a matter of public record and its distribution is not limited.

**REPORT DISTRIBUTION**

| <u>Number</u> | <u>Recipient</u>                                    |
|---------------|---|
| 1             | Agricultural Commissioner                           |
| 2             | State Coordinator, Pierce's Disease Control Program |
| 1             | Liaison, County/State Relations                     |
| 1             | Chief Counsel, CDFA Legal Office                    |
| 1             | Chief, Audit Office                                 |